546-D GA 1.15: HRD 86-43

United States General Accounting Office

GAO

ORIGINAL

Report to the Chairman, Subcommittee on Employment and Productivity, Committee on Labor and Human Resources, U.S. Senate

January 1986

EMERGENCY JOBS ACT OF 1983

34

Projects Funded in the Cleveland, Ohio, Metropolitan Area

GAO/HRD-86-43

41

GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division
B-205627

January 13, 1986

The Honorable Dan Quayle
Chairman, Subcommittee on
Employment and Productivity
Committee on Labor and
Human Resources
United States Senate

Dear Mr. Chairman:

In response to your request that we monitor and report on the implementation of the Emergency Jobs Appropriations Act (Public Law 98-8), we are providing to you the last of six reports on projects funded by the act in six geographical areas of the United States. The legislation, enacted on March 24, 1983, provided emergency supplemental appropriations for use in fiscal year 1983 and subsequent years to provide productive employment; hasten or initiate federal projects and construction, such as construction and modernization of housing units for military families; and provide humanitarian assistance, including an emergency food and shelter program.

This report provides information on the status of projects funded by the act in the Cleveland, Ohio, metropolitan area as of March 31, 1984—about 1 year following the act's passage—and as current as July 1985 for selected projects. This metropolitan area is composed of four counties—Cuyahoga, Geauga, Lake, and Medina. Because there are no comprehensive requirements in the act for federal, state, and local agencies to maintain detailed and separate records on the use of Public Law 98-8 funds, the report presents information on only those projects that we were able to identify in the Cleveland metropolitan area.

The following sections summarize the results of our review. Appendixes I and II provide further details on the methodology of our review and our findings. The other appendixes contain statistics relative to Public Law 98-8 funds spent in the Cleveland metropolitan area.

Nearly $26.5 Million Awarded to 153 Projects in the Cleveland Area

As of March 31, 1984, nearly $26.5 million of Public Law 98-8 funds had been awarded by 17 federal programs and activities for 153 projects in the Cleveland metropolitan area. These funds include about $16 million for 117 public works projects, such as renovation of community parks, and about $10.5 million for 36 public service projects, including employment training.

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The economy in the Cleveland metropolitan area, which covers about 1,500 square miles in northern Ohio, includes agriculture, communications, manufacturing, transportation, retail and wholesale trade, and service-oriented industries. When the act was passed in March 1983, about 115,100 people in this urban area, or nearly 12.6 percent of about 915,600 people in the labor force, were unemployed. At that time, the unemployment rates in the area ranged from 12 percent in Cuyahoga County to 16.4 percent in Lake County. State and national unemployment rates during this period were 13.7 and 10.3 percent, respectively. In March 1984, about 1 year after passage of the act, the unemployment rates for the nation, the state, and the Cleveland metropolitan area were 7.8, 10.6, and 9.9 percent, respectively.

About 37 Percent of Awarded Funds Spent Within First Year

As of March 31, 1984, about $9.9 million, or about 37 percent of the nearly $26.5 million awarded, had been spent on 126 of the 153 projects. These expenditures include nearly $5 million for 50 completed projects and about $4.9 million for 76 partially completed projects that were allocated about $16.8 million. Twenty-seven other projects, allocated over $4.5 million, had not started.

An Estimated 961 People Employed by March 31, 1984

Readily available employment data or estimates of such data by project managers indicate that about 961 people were employed on 87 projects during the year following passage of the act. About $7.8 million had been spent on these projects. At least 228 of these people were previously unemployed; however, information was not readily available to determine how long they had been unemployed. Data concerning how long people were employed were available for 45 projects and indicated that 513 individuals worked an estimated 3,680 weeks, or an average of about 7 weeks per person. As we reported previously in our reports on other geographical areas (see app. VI), detailed employment information, such as race, gender, and prior employment status data, was not readily available from federal, state, or local agencies for many of the projects.

Varying Efforts Made to Employ the Unemployed

The act requires federal agencies, states, and political subdivisions of the states to use funds, to the extent practicable, "in a manner which maximizes immediate creation of new employment opportunities to individuals who were unemployed at least fifteen of the twenty-six weeks immediately preceding the date of enactment of this Act"—March 24, 1983. Efforts by federal, state, and local officials and project managers

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to fulfill this provision ranged from requiring individuals hired to certify that they were unemployed to not informing contractors about the provision. Examples of these efforts include the following.

1. In awarding funds for renovating and developing public parks and recreational areas, the Small Business Administration instructed the administering state agency to assure that expenditures resulted in employment of the maximum number of unemployed persons. Grantees awarded these funds required individuals who were employed to certify that they did not have full-time employment and were not collecting unemployment compensation.

2. In awarding Public Law 98-8 funds appropriated to the Grants-in-Aid for Airports program, the Federal Aviation Administration required a local airport official to certify that the employment provisions of the act would be followed. Although the official signed the certification, the provision was not included in the construction contract. The project manager did not know if the contractor hired any unemployed persons.

Benefits, Other Than Employment, Achieved and Expected

In addition to the short-term employment opportunities resulting from the projects, other benefits have been or are expected to be provided in the Cleveland metropolitan area. These other benefits include (1) potential long-term employment opportunities stemming from employment training provided to 131 people for private sector jobs, such as food service, maintenance, security, and clerical; (2) improved navigation and flood control through more complete dredging of Cleveland Harbor; (3) improvements to community recreation facilities, roads, and streets, including paving roads; (4) new and continued services, such as day care programs and services to the elderly; and (5) rehabilitated public buildings and utilities, such as water distribution systems.

The information provided in this report should not be considered representative of all projects funded by the act or of the programs and activities that awarded funds to the projects reviewed. We will issue a final report to you summarizing the results of our review of Public Law 98-8, using information from our reports on the six geographical areas and a questionnaire administered to a sample of officials awarded Public Law 98-8 funds from 10 selected programs and activities. In addition, we plan to discuss in our final report how well the act functioned in providing stimulus to the economy and employment during the recession.

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As arranged with your office, we are sending copies of this report to the House and Senate Committees on Appropriations and other interested congressional parties. Copies will also be made available to other interested parties who request them.

Sincerely yours,

Richard L. Fogel

Richard L. Fogel
Director

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Abbreviations

CDBG	Community Development Block Grant
GAO	General Accounting Office
HUD	Department of Housing and Urban Development
SBA	Small Business Administration

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Objectives, Scope, and Methodology

In response to a request from the Chairman, Subcommittee on Employment and Productivity, Senate Committee on Labor and Human Resources, we reviewed the implementation of the Emergency Jobs Appropriations Act (Public Law 98-8), enacted on March 24, 1983. As part of this review, we obtained information on projects that were awarded Public Law 98-8 funds in the Cleveland, Ohio, metropolitan area. This area is composed of four counties in the northern part of the state: Cuyahoga, Geauga, Lake, and Medina.

The information we attempted to obtain for each project included the

- project's nature and status;
- funds awarded and expended as of March 31, 1984, about 1 year after the act's passage;
- number and characteristics of people employed, such as ethnic background and gender;
- efforts made by federal, state, and local government officials and project managers to provide employment to unemployed persons; and
- benefits, other than short-term employment, achieved and expected.

Because uniform comprehensive reporting is not required on the use of Public Law 98-8 funds, we were not able to obtain complete information for every project.

Our review of projects was limited to those that were allocated funds from 61 of the 77 federal programs and activities that had funds made available by the act. These programs and activities consist of 48 in which federal agencies selected projects and 13 in which state agencies, administering federally funded programs, selected the projects to be funded. We did not include 16 programs and activities (1) for which the Congress made funds available by disapproving the administration's proposed deferral of prior appropriations or by earmarking existing appropriations for other purposes; (2) that were strictly humanitarian assistance and income support, such as an emergency food and shelter program, thus providing limited employment opportunities; and (3) whose funds were consolidated with other funds, thus precluding projects from being separately identified.

Our fieldwork was done between June and November 1984, and more current information, as recent as July 1985, was obtained for selected projects. We did the review in accordance with generally accepted government auditing standards.

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Selecting the Cleveland Area for Review and Identifying Projects

We selected the Cleveland metropolitan area as one of six areas to review based on criteria developed with the Subcommittee Chairman's office. These criteria were to select (1) a range of geographical areas, (2) areas of high and low unemployment as of March 1983, (3) rural and urban areas, and (4) different types of projects funded by the act, such as public service and public works activities.

To obtain nationwide coverage, we selected six states with varying unemployment rates in different parts of the United States. We obtained from federal agencies project listings as of the February-March 1984 time frame for the 48 programs and activities in which federal agencies selected projects to receive Public Law 98-8 funding within these states. We did not include four of these programs and activities because the project listings did not contain enough details and a significant amount of time would have been necessary to identify specific project locations. Based on the established criteria and the projects identified within the six states, we selected the Cleveland metropolitan area—a relatively high unemployment urban area—as one of six geographical areas to review.[1] This area is shown in figure I.1 as the darkened area superimposed on a map of Ohio.

[1]The other areas selected for review are the high unemployment urban areas of Montgomery, Alabama, and Fresno County, California; a high unemployment rural area composed of seven counties in northeast Texas near Texarkana; the low unemployment urban area of Lawrence-Haverhill, Massachusetts; and a low unemployment rural area consisting of five counties in south central Georgia near Valdosta.

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Figure I.1: Geographical Location of the Cleveland, Ohio, Metropolitan Area Examined in the GAO Study

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In addition to the programs and activities in which federal agencies selected projects, there were 13 programs and activities in which states were responsible for selecting projects to be allocated funds made available by the act. We interviewed state officials administering these federally sponsored programs and activities to identify and obtain information on other projects in the Cleveland metropolitan area in order to include them in our review. We did not include projects in which (1) other funds were awarded to the projects and information on Public Law 98-8 funds was not separately identifiable and (2) other areas were served and those funds benefiting only the metropolitan area were not separately identifiable.

Project Review Methodology

Having identified the projects awarded Public Law 98-8 funds in the Cleveland metropolitan area, we obtained information about each project as of March 31, 1984. To obtain the project information, we interviewed federal, state, and local government officials and project managers; reviewed their records on the projects; and visited projects.

Projects' Status

We established three categories to reflect the status of each project as of March 31, 1984—completed, partially completed, and not started. We classified projects as completed if work on the project site was finished or funds were reported as fully expended as of March 31, 1984. A project was classified as partially completed if any work had begun or project funds had been spent before March 31, 1984, and funds remained to be spent on the project. We classified a project as not started if work on the project site had not begun or no funds had been spent as of March 31, 1984. The allocation and expenditure information obtained is as reported by federal, state, or local government officials or project managers.

Employment Data

We requested from the project managers employment data, including information on the number, ethnic background, gender, hours worked, employment duration, and prior employment status of persons employed. Because there are no uniform comprehensive requirements to report on the use of Public Law 98-8 funds for most programs and activities, detailed employment information was not readily available for many projects and would have required a significant effort to obtain or develop. In cases in which data were not readily available, we asked project officials to estimate the employment information.

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Most of the employment data we obtained were on projects in which the act or federal departments or agencies required that such information be maintained. For example, the Department of Housing and Urban Development (HUD) is the only federal department or agency that is required by the act to submit detailed quarterly reports to the appropriate congressional committees on the use of its community development funds. These quarterly reports contain estimated data on the number of people employed and weeks of employment, but not race, gender, and prior employment status data.

Efforts to Provide Employment Opportunities

Because one objective of the act was to provide employment opportunities to the unemployed, we discussed with federal, state, and local officials and project managers the efforts made to hire such individuals. Because of the limited employment information available, we did not assess the degree to which these efforts were successful.

Project Benefits

To determine project benefits achieved and expected, we interviewed project managers and federal, state, and local officials; visited and observed projects; and reviewed project documentation. We were interested in identifying benefits other than the short-term employment opportunities created with Public Law 98-8 funds, such as construction, humanitarian assistance, and long-term employment opportunities.

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Emergency Jobs Act of 1983 and Projects Funded in the Cleveland Area As of March 31, 1984

One hundred fifty-three projects in the Cleveland, Ohio, metropolitan area were awarded nearly $26.5 million in funds made available by the Emergency Jobs Appropriations Act of 1983.

Emergency Jobs Appropriations Act of 1983

To meet economic problems facing the nation, the Congress passed the Emergency Jobs Appropriations Act, providing emergency supplemental appropriations for fiscal year 1983 and subsequent years. The act's primary objectives were to (1) provide productive employment for jobless Americans, (2) hasten or initiate federal projects and construction of lasting value to the nation and its citizens, and (3) provide humanitarian assistance to the indigent. Title I of the act made funds available to provide, among other things, essential and productive jobs and humanitarian assistance. Two other titles provided appropriations for other purposes, including the creation of a temporary emergency food assistance program for the needy.

Congressional Concerns

The Congress found that a severe economic recession had resulted in nearly 14 million unemployed Americans, including those no longer searching for work. Millions of other Americans were working part-time because they could not find full-time jobs. The annual cost of unemployment compensation had reached $32 billion. Compared with previous recessions, hardships were more severe, people were out of work longer, and a reduced percentage of unemployed were receiving unemployment benefits. Business failures were 49 percent higher than the previous year. The Congress passed the Emergency Jobs Appropriations Act to help alleviate some of the hardships of the unemployed.

Objectives of Title I

Title I of the Emergency Jobs Appropriations Act is entitled "Meeting Our Economic Problems With Essential and Productive Jobs." It made over $9 billion available to 77 federal programs and activities, including public service, public works, and employment and training programs.[1] Among these were programs and activities administered by the Department of Commerce's Economic Development Administration, the Department of Health and Human Services' Health Resources and Services Administration, and the Department of Labor's Employment and Training Administration.

[1]A list of these programs and activities and the amounts made available to each is included in enclosure II of our report on federal agencies' implementation of the act (GAO/OACG-84-1), issued in November 1983.

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Title I contains a number of provisions concerning the targeting, use, and administration of Public Law 98-8 funds. Sections 101(a) and (b) provide specific formulas based on unemployment information for federal agencies to use in allocating funds. To the extent practicable, states receiving funds under section 101(b) were to spend them in areas of high, long-term unemployment and for purposes that would have the greatest immediate employment impact.

Section 101(c) specified that, to the extent practicable, federal agencies, states, and political subdivisions of the states were to use the funds in a manner that quickly provided new employment opportunities for individuals who were unemployed at least 15 of the 26 weeks before passage of the act. This section also specified that the funds be obligated and disbursed as rapidly as possible to quickly assist the unemployed and the needy, as well as to minimize future budgetary outlays.

Overview of Funds Allocated to the Cleveland Area

The Cleveland metropolitan area is composed of four counties—Cuyahoga, Geauga, Lake, and Medina—and covers about 1,500 square miles in northern Ohio. In 1980, the area's population was about 1.9 million, compared with the state's population of about 10.8 million. Its economy includes agriculture, communications, manufacturing, transportation, retail and wholesale trade, and service-oriented industries.

When the act was passed in March 1983, about 115,100 people, or nearly 12.6 percent of an estimated 915,600 in this urban area's labor force, were unemployed. At that time, unemployment rates in the area ranged from 12 percent in Cuyahoga County to 16.4 percent in Lake County. State and national unemployment rates during this period were 13.7 and 10.3 percent, respectively. In March 1984, about 1 year after passage of the act, the unemployment rates for the nation, the state, and the Cleveland metropolitan area were 7.8, 10.6, and 9.9 percent, respectively. Figure II.1 illustrates the unemployment trends for these areas 1 year before and after passage of Public Law 98-8.

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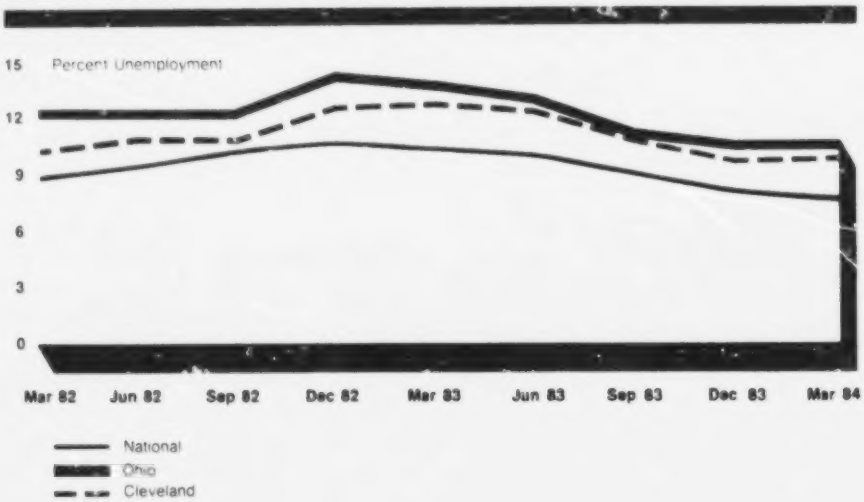
Figure II.1. Quarterly Unemployment Rates for the Cleveland Metropolitan Area, Ohio, and the Nation (March 1982-March 1984)



Ohio was allocated about $195 million[2] of the direct appropriations and obligational authority made available by Public Law 98-8. One hundred fifty-three projects in the Cleveland metropolitan area were awarded nearly $26.5 million from 17 federal programs and activities that were appropriated funds by the act. Of these projects, 117 were allocated about $16 million for public works activities, such as construction; road, street, and drainage improvements; and park renovation. The other 36 projects were allocated about $10.5 million for public service projects providing services to the elderly, day care, mental health counseling, weatherization of homes, and employment training. Appendix III provides information on the 153 projects funded.

About 37 Percent of Project Funds Expended

About $9.9 million, or about 37 percent of the nearly $26.5 million awarded to 153 projects in the Cleveland metropolitan area, had been spent as of March 31, 1984—about 1 year after passage of the act.[3] As illustrated in figure II.2, nearly $5 million had been spent on 50 projects that were completed; about $4.9 million, or over 29 percent of about

[2]The amount allocated to Ohio is based on data reported to us by federal departments and agencies in February and March 1984. These data were as reported in our April 10, 1984, letter to the Chairman of the Subcommittee on Employment and Productivity, Senate Committee on Labor and Human Resources, on the allocation of the act's funds.

[3]Appendix IV shows the expenditure status of the funds awarded to the 153 projects in the Cleveland metropolitan area as of March 31, 1984.

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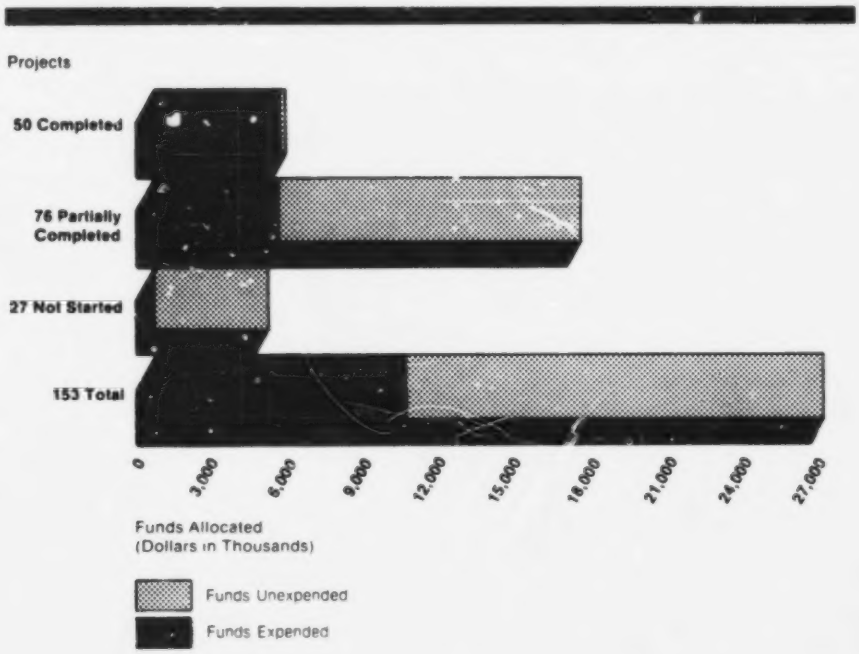
$16.8 million allocated, had been spent on 76 partially completed projects; and no funds had been spent on 27 projects allocated over $4.5 million that had not started.

Figure II.2: Funds Allocated and Expended on 153 Projects in the Cleveland, Ohio, Metropolitan Area As of March 31, 1984



Expenditures for 50 Completed Projects

Fifty projects in the Cleveland metropolitan area were completed by March 31, 1984, and nearly $5 million, or about 97 percent of about $5.1 million allocated, had been spent. These projects consist of 44 public works and 6 public service projects awarded about $4 million and $1.1 million, respectively. At least 20 of these projects had to be completed by specified dates that were before March 31, 1984. Also, 14 other projects had been planned before passage of the act and only needed funds for immediate implementation. Examples of the projects completed by March 31, 1984, follow.

About $551,000 of the state's Small Business Administration (SBA) Parks and Recreational Area Development Grant funds was awarded to 17 projects for rehabilitation or development of public parks and

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recreational areas. The state required that these funds be spent by September 30, 1983, as directed by SBA and the conference report related to Public Law 98-8. Except for about $6,900, all funds were spent by that date.

The Corps of Engineers allocated about $2.5 million to five projects that had been planned before passage of the act. About $2.2 million of these funds was allocated to four projects in Cuyahoga County—one project to provide flood protection and three maintenance projects consisting of dredging and repairing Cleveland Harbor. Work on these projects began between June and September 1983 and was completed by December 1983 at a cost of about $2 million. The fifth project, located in Lake County, was allocated $308,000 to perform maintenance on Fairport Harbor. The project, which began in August 1983, was completed in September 1983 at a cost of $306,800. According to a Corps official, the allocated funds not spent on these five projects were reallocated to a project outside of the Cleveland area.

Nine maintenance projects, allocated about $511,200, at the Veterans Administration's medical center in Cleveland were completed by March 31, 1984. As of that date, an estimated $496,100 had been spent on these projects, which were part of the center's existing maintenance and repair plan. The projects, which began in June 1983, included such activities as replacing a roof, cleaning duct work, and painting the exterior of a building. According to a Veterans Administration official, the funds not spent were returned to the Treasury.

In addition to the public works projects, there were six public service projects that were allocated about $1.1 million and were completed by March 31, 1984. Three of these projects spent about $1.1 million received from the Department of Energy's Low-Income Energy Conservation program to weatherize homes of low-income persons in the Cleveland metropolitan area. About $58,400, provided through the Community Development Block Grant (CDBG)-Entitlement Cities program, were spent on the other three public service projects for day care, youth and family counseling, and senior citizens programs.

Expenditures for 76 Partially Completed Projects

In addition to the 50 projects completed within the first year of the act, 76 projects were partially completed by March 31, 1984. About $4.9 million, or over 29 percent of about $16.8 million allocated, had been spent on these projects. Individual rates of expenditure for these projects ranged from about 96 percent to no expenditure of Public Law 98-8

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funds (as of Mar. 31, 1984) on projects that had received funds from other sources. About 53 projects, allocated about $12.6 million, spent less than 50 percent of their allocations. Following are some examples of the partially completed projects in the Cleveland metropolitan area.

The project nearest completion was a CDBG-Entitlement Cities project allocated about $168,100 to replace a water distribution main in the city of Lakewood. The project, which was originally scheduled to start in 1984, began in August 1983 with the availability of Public Law 98-8 funds and was completed in June 1984. By March 31, 1984, about $161,200, or about 96 percent of the funds allocated, had been spent. According to the Lakewood Assistant Director of Economic and Community Development, the winter season delayed completion of the project for about 3 to 4 months.

The Federal Aviation Administration awarded Cuyahoga County $580,500 of Public Law 98-8 funds to construct taxiways and an access road at the Cuyahoga County Airport. In addition to the Public Law 98-8 funds, the county contributed $64,500 in local matching funds. As of March 31, 1984, about $299,100 had been spent for excavation, which began in late September and was completed by mid-November 1983. According to the project official, concrete paving, which began in late April 1984 and was completed by mid-July, was delayed over 5 months because of the winter season.

Twelve public service projects were awarded about $2.7 million through the Department of Education's Rehabilitation Services and Handicapped Training program, the Department of Labor's Services to Dislocated Workers program, and the Department of Health and Human Services' Alcohol, Drug Abuse, and Mental Health Services and Social Services Block Grant programs. These projects, which were scheduled to operate until June 1984 or beyond, were providing such services as employment training to disabled persons, dislocated workers, and welfare recipients; mental health counseling; homemaker and minor home maintenance services to the elderly; and day care services to low-income working parents. As of March 31, 1984, over $1.4 million, or about 54 percent of the allocations, had been spent.

Although no Public Law 98-8 funds were reported as being spent by March 31, 1984, other federal or local funds had been used to pay for design work or construction that had begun on 24 projects funded by HUD's Community Planning and Development Office, the Department of

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Commerce's Economic Development Administration, and the Department of the Interior's National Park Service. For example, a project official for Cleveland's CDBG-Entitlement Cities projects said that the design work or construction, which was in progress as of March 31, 1984, on 19 projects to construct or rehabilitate streets, parks, and buildings had been paid for with other funds. Also, work on a major street construction and waterline replacement project in Cleveland had begun, but no Public Law 98-8 funds had been reported as spent as of March 31, 1984. According to the project manager, engineering plans for the project, which was awarded $1 million by the Department of Commerce's Economic Development Administration in September 1983, were completed in January 1984. These plans, costing $20,000, were paid from Cleveland's regular Economic Development Assistance grant rather than from Public Law 98-8 funds. According to the project manager, construction on this project, which began in June 1984 and stopped between December 1984 and March 1985 because of the winter season, was completed in July 1985.

No Funds Spent on 27 Projects

As of March 31, 1984, no funds had been spent on 27 projects that had been allocated over $4.5 million. Twenty-five were public works projects allocated about $4.5 million and 2 were public service projects allocated $29,000. Examples of these projects follow.

Fifteen of the projects were Cleveland CDBG-Entitlement Cities projects that were allocated about $3 million primarily for repairing streets and buildings and acquiring land. According to a city official, one of these projects, allocated $1.7 million to acquire about 13 acres of land for an industrial park, did not begin by March 31, 1984, because city council approval for the project had not been received as of that date. Seven other Cleveland CDBG-Entitlement Cities projects, allocated $469,000, did not start because actions of others had not been taken. For example, according to the project manager, five public works projects were delayed because participating organizations, such as the YMCA and Salvation Army, had not advised the city of the specific work needed so that the city could contract for the work.

Three projects in Cleveland Heights that did not begin by March 31, 1984, were awarded $436,500 in CDBG-Entitlement Cities funds. These funds were to be used to construct a parking lot, train unemployed persons in housing rehabilitation and rehabilitate houses, and conduct a study to determine if a hotel would be successful in Cleveland Heights. According to city officials, these projects did not begin as of March 31,

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1984, because (1) negotiations to obtain additional property to construct the parking lot were unsuccessful and alternate plans had to be developed; (2) the existing workload of a newly appointed Housing Preservation Director prevented beginning the housing rehabilitation project, and (3) the project manager for the hotel market study did not have staff to devote to the project.

An Estimated 961 People Employed

During the first year following the act's passage, an estimated 961 people were employed on 87 of 88 projects that had employment data readily available—no additional people were hired on one project that provided additional services to the unemployed.[4] About $7.8 million had been spent on the 87 projects as of March 31, 1984. At least 228 of the 961 people employed had been previously unemployed; however, information was not readily available to determine how long they had been unemployed.

Data concerning how long people were employed were available for 45 projects and indicated that 513 people worked an estimated 3,680 weeks, or an average of about 7 weeks per person. Characteristic data on those employed were available for 18 projects. Of 165 people employed on these projects, 138 were white, 26 were black, and 1 was Hispanic; 102 were male and 63 were female.

Other Benefits Achieved and Expected

In addition to the short-term employment opportunities resulting from the projects, other benefits have been and are expected to be provided to communities in the Cleveland metropolitan area. Project officials stated that the projects have provided and are expected to provide (1) potential long-term employment opportunities, (2) improved flood control and navigation on the area's waterways, (3) improved recreation facilities, roads, and streets, (4) new and continued services, and (5) rehabilitated buildings and facilities. In addition, the completion dates of some projects were accelerated with the availability of Public Law 98-8 funds.

Fourteen projects in the metropolitan area provided or are expected to provide long-term employment opportunities. One project, funded by a Social Services Block Grant in Cuyahoga County, provided employment training that resulted in placing 131 persons by June 1984 in private sector jobs, such as food service, maintenance, security, and clerical. Job

[4]Appendix V summarizes employment data available for 88 projects that had begun by March 31, 1984, in the Cleveland metropolitan area.

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placement efforts were still in process as of July 1984 and additional placements were expected. Also, about 100 persons are expected to be hired by local businesses when downtown buildings are rehabilitated and streets are improved with CDBG-Small Cities grant funds awarded to the city of Wadsworth.

Public Law 98-8 funds have also been used to improve navigation and flood control on the waterways in the Cleveland area. According to a Corps of Engineers official, the Corps was able to maintain the navigation channel at Cleveland Harbor more completely with the Public Law 98-8 funds by extending the amount of dredging. Another project consisted of building up shoreline to prevent further soil erosion and loss of a local school facility.

About 46 projects were awarded Public Law 98-8 funds to improve recreation facilities, roads, and streets. Trees and shrubs were planted in 17 local and state parks throughout the Cleveland area with funds provided through the SBA Parks and Recreational Area Development Grant program. Also, construction was in progress at three parks in Cleveland using Department of the Interior Land and Water Conservation Fund moneys to develop public outdoor recreation facilities, such as hiking and biking trails, sports fields, picnic areas, food concessions, and a bathhouse. With funds made available by the CDBG-Entitlement Cities program, Cleveland initiated 17 street repair projects that consist of resurfacing streets, repairing sidewalks and curbs, and constructing a new street.

Six other projects that received Public Law 98-8 funds created new and continued existing services to working parents and the elderly. For example, without the Public Law 98-8 funds, one CDBG-Entitlement Cities grantee would have had to either reduce its day care program or close some day care centers. Another grantee established day care services in a new area with funds provided through the Department of Health and Human Services Social Services Block Grant program. Home maintenance and homemaker services for the elderly were also provided under two other Social Services Block Grant projects.

Public Law 98-8 funds from the General Services Administration and Veterans Administration were used to repair, clean, and paint federal buildings in Cuyahoga and Medina counties. Also, part of the water distribution systems in Cleveland and Lakewood were being replaced by projects funded under the Economic Development Assistance and CDBG-Entitlement Cities programs, respectively. In addition, homes of low-

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income families in Cuyahoga and Geauga Counties were weatherized with funds from the Department of Energy's Low-Income Energy Conservation program.

The availability of Public Law 98-8 funds also accelerated the completion dates of some projects. For example, a maintenance supervisor at the Veterans Administration medical center in Cleveland said that without these funds some projects, such as roof repairs, would not have been done until the following year because they were low priority.

Efforts to Provide Employment Opportunities to the Unemployed

The act requires that federal agencies, states, and political subdivisions of the states use funds, to the extent practicable, "in a manner which maximizes immediate creation of new employment opportunities to individuals who were unemployed at least fifteen of the twenty-six weeks immediately preceding the date of enactment of this Act"—March 24, 1983. In implementing the act, federal, state, and local efforts ranged from requiring individuals hired to certify that they were unemployed to not informing contractors about the provision. Following are some examples of the efforts made.

In awarding funds for renovating and developing public parks and recreational areas, SBA instructed the administering state agency to assure that expenditures resulted in employment of the maximum number of unemployed persons. Grantees awarded these funds required individuals who were employed to certify that they did not have full-time employment and were not drawing unemployment compensation. Grantees in the Cleveland area reported to the state that at least 99 of the 140 persons hired on 16 projects were previously unemployed.

While HUD incorporated the employment provision in its CDBG-Entitlement Cities grants in the Cleveland area, grantees' efforts to provide employment opportunities to the unemployed varied. For example, one grantee included the provision in its contracts, and according to city officials, contractors were required to document that new hires were long-term unemployed. The officials said that the contractors solicited the assistance of union halls to find long-term unemployed persons. Three other grantees emphasized hiring unemployed people, but did not specify how long they were to have been unemployed. Two of these required that those hired directly for the projects be unemployed, and the other required that contractors hire unemployed persons on file with the Ohio Bureau of Employment Services. One other project manager did not place any special emphasis on hiring unemployed people. He

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believed hiring the unemployed was not practical because contractors would hire people through union halls where seniority would outweigh the length of unemployment.

In awarding Public Law 98-8 funds appropriated to the Grants-in-Aid for Airports program, the Federal Aviation Administration required a local airport official to certify that the employment provisions of the act would be followed. Although the official signed the certification, the provision was not included in the construction contract. The project manager did not know if the contractor hired any unemployed persons.

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Public Law 98-8 Funded Projects in the Cleveland Area[a]

Federal department/ agency	Program/ activity	Number of projects	Project(s) description	Location (city/county)	Public Law 98-8 funds[b] Allocated	Expended as of 3-31-84	Percent of allocations expended
Public Works:							
Department of Commerce:							
Economic Development Administration	Economic Development Assistance	1	Reconstruct a water distribution main and resurface street	Cleveland	$ 1,000,000[c]	$ 0	0
Department of Defense-Civil:							
Department of the Army, Corps of Engineers-Civil	Construction, General	1	Protect against floods and prevent soil erosion	Cuyahoga County	213,500[c]	213,500	100
	Operations and Maintenance, General	3	Dredge harbor and repair breakwater	Cuyahoga County	1,978,000	1,834,000	93
		1	Repair harbor breakwater	Lake County	308,000	306,800	100
Department of Housing and Urban Development:							
Community Planning and Development	Community Development Block Grant-Entitlement Cities	39	Improve streets and parks, rehabilitate housing, revitalize neighborhood, and acquire land	Cleveland	6,656,975[c]	258,595	4
		1	Resurface roads	Cuyahoga County	722,489	0	0
		4	Resurface streets and replace water main	Lakewood	719,000	475,571	66
		4	Construct parking lot, upgrade public park, purchase and rehabilitate houses	Cleveland Heights	609,000	0	0
		3	Weatherize homes of low-income persons and improve neighborhood	Euclid	260,571[c]	125,125	48
		1	Repair streets and playgrounds	Parma	35,708	23,184	65
	Small Cities	1	Revitalize downtown	Wadsworth	200,000[c]	0	0

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Federal department/ agency	Program/ activity	Number of projects	Project(s) description	Location (city/county)	Public Law 98-8 funds[b] Allocated	Expended as of 3-31-84	Percent of allocations expended
Department of the Interior:							
National Park Service	Historic Preservation Fund	1	Rehabilitate downtown monument	Cleveland	48,227[c]	8,627	18
	Land and Water Conservation Fund	3	Construct bikeways and picnic areas on public-owned land	Cleveland	1,001,380[c]	287,494	29
Department of Transportation:							
Federal Aviation Administration	Grants-in-Aid for Airports	1	Construct taxiway and access road	Cuyahoga County	580,500[c]	299,086	52
General Services Administration:							
Public Buildings Service	Federal Buildings Fund—Repairs and Alterations	24	Repair and maintain federal buildings	Cuyahoga and Medina Counties	310,322	115,962	37
Small Business Administration:							
	Parks and Recreational Area Development Grant	17	Plant trees and shrubs on public-owned lands	Cuyahoga, Geauga, and Lake Counties	551,063	544,174	99
	Small Business Loans	1	Purchase equipment and renovate building	Cleveland	35,100	22,184	63
Veterans Administration:							
Department of Medicine and Surgery	Medical Care	11	Replace building roofs, paint building exterior, replace sidewalks, replace floor tile, clean ductwork, and ceilings	Cleveland	774,451	698,388	90
Total		**117**			**16,004,286**	**5,212,690**	33

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Federal department/ agency	Program/ activity	Number of projects	Project(s) description	Location (city/county)	Public Law 98-8 funds[b] Allocated	Expended as of 3-31-84	Percent of allocations expended
Public Service:							
Department of Education:							
Office of Special Education and Rehabilitative Services	Rehabilitation Services and Handicapped Training	1	Train disabled and disadvantaged persons in the use of clerical word processors	Cleveland	$178,700[c]	$92,568	52
Department of Energy:							
Office of the Assistant Secretary for Conservation and Renewable Energy	Energy Conservation/ Low-Income Energy Conservation	3	Weatherize homes of low-income persons	Cuyahoga and Geauga Counties	1,091,594[c]	1,091,594	100
Department of Health and Human Services:							
Alcohol, Drug Abuse, and Mental Health Administration	Alcohol, Drug Abuse, and Mental Health Services Block Grant	4	Provide additional alcohol, drug abuse, and mental health services	Cuyahoga, Geauga, Lake, and Medina Counties	175,420	70,135	40
Office of Human Development Services	Social Services Block Grant	4	Train and find jobs for welfare recipients, establish day care centers, provide minor home maintenance and homemaker services to elderly	Cuyahoga, Geauga, Lake, and Medina Counties	1,620,825	920,504	57

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Federal department/ agency	Program/ activity	Number of projects	Project(s) description	Location (city/county)	Public Law 98-8 funds[b] Allocated	Expended as of 3-31-84	Percent of allocations expended
Department of Housing and Urban Development:							
Community Planning and Development	Community Development Block Grant-Entitlement Cities	15	Continue various city services to low- and moderate-income neighborhoods	Cleveland	5,618,025	1,653,600	29
		1	Continue previous level of day care services	Cuyahoga County	793,511	310,895	39
		3	Provide additional day care and counseling services for low-income and unemployed families and various services for the elderly	Euclid	58,429	58,429	100
		2	Assist the elderly and provide education services	Parma	233,292	141,127	61
Department of Labor:							
Employment and Training	Employment and Training Assistance-Services to Dislocated Workers	3	Retrain and counsel dislocated workers under the Job Training Partnership Act	Cleveland	700,000	349,234	50
Total		**36**			**10,469,796**	**4,688,086**	45
Total		**153**			**$26,474,082**	**$9,900,776**	37

[a]Not included among these projects are loans of about $425,300 made to four small businesses and guaranteed by SBA's Certified Development Company Loan program. Unless the small businesses default on these loans, no Public Law 98-8 funds will be spent.

[b]Data were obtained from review of records and/or discussions with project officials.

[c]Other funds, in addition to Public Law 98-8 funds, were available for use on some of these projects.

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Status of Public Law 98-8 Funds Allocated to Projects in the Cleveland Area As of March 31, 1984[a]

Program/activity[b]	Number of projects	Public Law 98-8 funds[c] Allocated	Public Law 98-8 funds[c] Expended	Percent of allocations expended
Projects completed:				
Community Development Block Grant-Entitlement Cities:				
Cleveland	2	$ 144,344	$ 144,080	100
Euclid	3	58,429	58,429	100
Lakewood	1	192,860	192,860	100
Corps of Engineers:				
Construction	1	213,500[d]	213,500	100
Operations and Maintenance, General	4	2,286,000	2,140,800	94
Federal Buildings Fund	10	77,836	71,455	92
Low-Income Energy Conservation	3	1,091,594[d]	1,091,594	100
Parks and Recreational Area Development Grant	17	551,063	544,174	99
Veterans Administration- Medical Care	9	511,194	496,120	97
Total	**50**	**5,126,820[e]**	**4,953,012[e]**	**97[e]**
Projects partially completed:				
Alcohol, Drug Abuse, and Mental Health Services Block Grant	4	175,420	70,135	40
Community Development Block Grant-Entitlement Cities:				
Cleveland	37	9,132,681[d]	1,768,115[f]	19[f]
Cleveland Heights	1	172,500	0[g]	0[g]
Cuyahoga County	1	793,511	310,895	39
Euclid	2	160,571[d]	125,125	78
Lakewood	2	356,151	282,711	79
Parma	3	269,000	164,311	61
Community Development Block Grant-Small Cities	1	200,000[d]	0[g]	0
Economic Development Assistance	1	1,000,000[d]	0[g]	0
Services to Dislocated Workers	3	700,000	349,234	50
Grants-in-Aid for Airports	1	580,500[d]	299,086	52
Federal Buildings Fund	8	112,781	44,507	40
Historic Preservation Fund	1	48,227[d]	8,627	18
Land and Water Conservation Fund:				
Expenditure data available	1	500,000[d]	287,494	58
No expenditures	2	501,380[d]	0[h]	0

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Program/activity[b]	Number of projects	Public Law 98-8 funds[c] Allocated	Expended	Percent of allocations expended
Rehabilitation Services and Handicapped Training	1	178,700[d]	92,568	52
Small Business Loans	1	35,100	22,184	63
Social Services Block Grant	4	1,620,825	920,504	57
Veterans Administration- Medical Care	2	263,257	202,268	77
Total	**76**	**16,800,604**	**4,947,764**	29
Projects not started:				
Community Development Block Grant-Entitlement Cities:				
Cleveland	15	2,997,975[d]	0	0
Cleveland Heights	3	436,500	0	0
Cuyahoga County	1	722,489	0	0
Euclid	1	100,000	0	0
Lakewood	1	169,989	0	0
Federal Buildings Fund	6	119,705	0	0
Total	**27**	**4,546,658**	**0**	**0**
Total	**153**	**$26,474,082**	**$9,900,776**	37

[a]Not included among these funds are loans of about $425,500 made to four small businesses and guaranteed by SBA's Certified Development Company Loan program. Unless the small businesses default on these loans, no Public Law 98-8 funds will be spent.

[b]See appendix III for the federal department/agency responsible for each program/activity.

[c]Data were obtained from review of records and/or discussions with project officials.

[d]Other funds, in addition to Public Law 98-8 funds, were allocated for use on some of these projects.

[e]According to project officials, the allocated funds not spent were (1) transferred to projects outside of the Cleveland metropolitan area, (2) returned to the agency that awarded the funds, or (3) reserved for expenses incurred but not paid as of March 31, 1984.

[f]These funds had been spent on 18 projects allocated $5,956,369. Although no Public Law 98-8 funds had been spent by March 31, 1984, design work or construction had started by that date for the remaining 19 projects.

[g]No Public Law 98-8 funds had been spent as of March 31, 1984, but engineering and administrative costs had been incurred for the project and paid from other funds.

[h]Although some site preparation work had been done with regular staff during late 1983, no contracts for expenditure of Public Law 98-8 funds had been awarded as of March 31, 1984.

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Appendix V

Employment-Related Data for Projects Funded by Public Law 98-8 in the Cleveland Area As of March 31, 1984[a]

Program/activity[b]	Projects with employment data	Number employed	Number previously unemployed[c]	Weeks of employment: Total	Weeks of employment: Average per employee
Employment Weeks Data Available					
Alcohol, Drug Abuse, and Mental Health Services Block Grant	4[d]	14	8	180	12.8
Community Development Block Grant- Entitlement Cities:					
Cleveland Heights	1	1	[e]	4	4.2
Euclid	5	44	10[f]	294	6.8
Lakewood	3	56	7[f]	234	4.2
Parma	3	105	34[f]	906	8.6
Corps of Engineers:					
Construction	1	9	[e]	29	3.2
Operations and Maintenance	2	26	[e]	229	8.8
Services to Dislocated Workers	2	37	33	290	7.9
Grants-in-Aid for Airports	1	21	[e]	49	2.4
Low-Income Energy Conservation	2	16	1[f]	345	21.6
Rehabilitation Services and Handicapped Training	1	4	2	94	23.5
Parks and Recreational Area Development Grant	16	140	99[f]	363	2.6
Social Services Block Grant	4	40	26[f]	663	16.6
Total	**45**	**513**	[e]	**3,680**	**7.2**
Employment Weeks Data Not Readily Available					
Community Development Block Grant- Entitlement Cities:					
Cleveland	39	314	[e]	[e]	[e]
Corps of Engineers:					
Operations and Maintenance	1	62[h]	[e]	[e]	[e]
Services to Dislocated Workers	1	9	5	[e]	[e]
Historic Preservation Fund	1	14	3	[e]	[e]
Land and Water Conservation Fund	1	49	[e]	[e]	[e]
Total	**43**	**448**	[e]	[e]	[e]
Total	**88**	**961**	[e]	[e]	[e]

[a]Includes only projects completed or partially completed by March 31, 1984, and employment data that were readily available or estimated by project managers.

[b]See appendix III for the federal department/agency responsible for each program/activity.

[c]Data were obtained from review of records and/or discussions with project officials.

[d]Includes one project that had not employed anyone.

[e]Data not readily available.

[f]Data reflect the minimum number of people that were previously unemployed; prior employment status information was not readily available for some persons employed on these projects.

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[a]Totals have not been provided because data were not available for all projects.

[b]These 62 persons were employed over the entire period of an estimated $3.6 million contract, of which $846,000, or about 24 percent, was paid with Public Law 98-8 funds.

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Other GAO Reports on Projects Funded by Public Law 98-8 in Five Other Geographical Areas

Report	Report number	Date issued
Projects Funded in Northeast Texas by the Emergency Jobs Appropriations Act of 1983	GAO/HRD-85-42	Mar. 26, 1985
Projects Funded in the Montgomery, Alabama, Metropolitan Area by the Emergency Jobs Appropriations Act of 1983	GAO/HRD-85-59	May 7, 1985
Projects Funded in Fresno County, California, by the Emergency Jobs Appropriations Act of 1983	GAO/HRD-85-90	Aug. 27, 1985
Projects Funded in South Central Georgia by the Emergency Jobs Appropriations Act of 1983	GAO/HRD-85-98	Sept. 25, 1985
Emergency Jobs Act of 1983: Projects Funded in the Lawrence-Haverhill, Massachusetts, Area	GAO/HRD-86-30	Dec. 6, 1985

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